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FM AMEMBASSY MASERU  
TO RUEHC/SECSTATE WASHDC PRIORITY 2535  
RUEHLMC/MILLENNIUM CHALLENGE CORP PRIORITY  
INFO RUCNSAD/SOUTHERN AFRICAN DEVELOPMENT COMMUNITY  
RUEHMR/AMEMBASSY MASERU 2881

C O N F I D E N T I A L SECTION 01 OF 02 MASERU 000019

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E.O. 12958: DECL: 1/11/2017

TAGS: [PREL](#) [PGOV](#) [LT](#)

SUBJECT: FINANCE MINISTRY INTACT DESPITE POLITICAL SHENNNANIGANS

REF: (A) 06 MASERU 626 AND PREVIOUS (B) 06 MASERU 560

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CLASSIFIED BY: JUNE CARTER PERRY, AMBASSADOR, EXEC, STATE.  
REASON: 1.4 (b), (d)

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Summary  
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¶1. (C) In an extremely frank January 10 discussion with Ambassador Perry, Lesotho's Finance Minister Tim Thahane demonstrated his underlying suspicions of Trade Minister Malie's and Foreign Minister Moleleki's ambitions and how they might contribute to a more unsettled national election than necessary. Thahane brushed aside his primary election loss, charging his candidacy to "hometown/village" supporters who had sought him out -- not the other way around. When asked if he would continue as the GOL's chief financial guru and overseer of the Millennium Challenge Account's (MCA) core team in Lesotho, Thahane asserted the Prime Minister had already asked him to stay on if the ruling LCD party wins and that former Communications Minister Thabane, who has formed a new "ABC" opposition party, would also want him as Lesotho's top financial expert. Whatever the outcome, Thahane seemed confident that his talents and good ties to donors would be in demand. Our observation is that the "politicos" in the Cabinet accept the Finance Minister's recommendation out of respect for his intellect, not out of any political ties. U.S. interest in reducing poverty and promoting growth appears unthreatened as long as the country's top technocrat maintains his hold, since it appears both the ruling party and opposition are deeply committed to quickly moving the MCA process along. End Summary.

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Internal LCD Competition and Rabble Rousing Opposition  
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¶2. (C) Thahane responded to our query about potential instability during the February 17 election by emphasizing the importance of the international community engaging three high profile politicians: Charismatic Foreign Minister Monyane Moleleki, LCD Executive Secretary and Trade Minister Mpho Malie, and former Communications Minister Thomas Thabane. He fingered Thabane and Moleleki as spoiling for a fight. In his opinion,

Moleleki's January 2006 "assassination attempt" had never been proved, in part because the FOMIN would still not release his medical records nor make available his "attacked" vehicle. (Septel to follow.)

13. (C) As we have reported, Moleleki blamed both Thabane and the expelled Libyan Ambassador for his assault. He has ridded himself of the Libyan Ambassador (no surprise) and is looking for a way to prove "criminality" on Thabane's part -- a point the FOMIN has shared with us for over a year. Thabane saw only seeds of potential unrest in continuing loud rallies and weekly press volleys between these two egotistical political survivors. Malie and Moleleki, the Finance Minister alleged, were promoting certain candidates for parliament who would form the base for each man's political future. Thabane himself would not have to run to remain or be re-appointed as a Minister; he could be named to the Senate. His views about Malie's recent public comments, that the Trade Minister was "stepping back" from active government involvement, have been tempered by Malie's stated interest in remaining active in the LCD. Thabane did underscore a point ABC leader Thabane has made: The ruling party has become too comfortable with its power and perks. (Comment: Nevertheless, Thabane still has the disputed Mercedes (Ref B) parked in his driveway while calling for more attention to the poor and downtrodden Basotho. There has been a rumor in the diplomatic community that Minister Thabane was overheard saying he "could" support ABC Leader Thabane. End Comment)

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Washington Visit and MCC Implications  
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14. (C) Thabane's December meetings in Washington with the Basotho and U.S. MCC teams were described as successful. The Minister was aware of the areas where the GOL needed to provide additional information; he said he had received Cabinet approval on responding. We asked if the elections would have any impact on the work schedule. He responded that (a) the technical work by senior level personnel would continue uninterrupted at

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Finance and other ministries regardless of any changes, and (b) that he expected to remain as Finance Minister in any event. Thus, major negotiations and work would continue with little, if any, impact on the pace of progress. He believed the Vienna Donors Conference (mid-January) would resolve the Metolong Dam multi-partner coordination. Regarding the elections, Thabane encouraged continued donor engagement with political parties to stress the importance of a smooth process during the pre and post balloting periods.

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Comment  
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15. (C) The Minister appeared to be very confident that he would be called upon as the country's leading expert on all things financial as the sole official with global IFI experience. We were encouraged by his commitment to take his senior staff with him to many international fora, thus training the next generation of Basotho leaders in his field. Thabane had shared with us in late 2006 his lack of desire to stand for election and mused about completing the MCA compact by May as he contemplated where he might be after that time. We have heard from good sources that he may now have dual Lesotho/U.S. citizenship, thus reinforcing his own musings about a possible mid-year departure despite the PM's and others' offers. We strongly recommend as accelerated an MCC process as possible to complete due diligence and compact signing given some degree of uncertainty regarding his personal timing, but we have also been assured by opposition ABC leader Thabane (septel) that key donor programs, notably the MCA, would continue apace no matter the election results. End Comment.  
PERRY